

## **Revenue Budgets**

### **Objective**

To establish revenue budgets within the Minnesota Accounting and Procurement System (MAPS).

### **Policy**

Revenue budgets are accounts used to budget and record all dedicated and non-dedicated revenues earned for a given fiscal year. Revenues are both cash receipts and accounts receivable.

The Minnesota Management & Budget (DOF) has designated statewide "presence" control on revenue budgets which means that a revenue budget must be established for all expected revenues. MAPS will not allow Receivable (RE) or Cash Receipt (CR) documents to be processed unless a valid revenue budget exists. DOF requires agencies to estimate annual revenues as part of the budgeting process.

All revenue budgets are established by revenue source code (RSRC) which identifies a specific type of receipt and is a distinguishing code block element on a revenue budget. The DOF maintains the RSRC list and agencies can request DOF to change, add or delete revenue source codes based on their budgeting needs. See Policy [0208-01](#), Revenue Source Codes.

### **Matching Departmental Earnings to Expenditures**

For purposes of departmental earnings cost recovery calculations, agencies are required to match expenditures to both dedicated and non-dedicated revenue. Departmental earnings revenue is defined in MAPS as fees and charges assigned a revenue source code between 3000 - 7999. See Policy [0208-01](#), Revenue Source Codes.

The extent to which revenues support the cost of providing a good or service can be determined by linking the revenue budget to the allotment. Identical programmatic coding on revenue budgets and allotments will act as the link between revenues and expenditures.

### **Revenue Refunds**

MAPS processes revenue refunds as a reduction to revenue, not expenditures. A payment voucher coded to reference a revenue budget is used to process revenue refunds. When estimating revenues for a given fiscal year, agencies should analyze any related refunds by revenue source code and determine whether they are expected to meet or exceed \$100,000. If so,

separate revenue budgets should be set up for these refunds. See Policy [0308-01](#), Budgeting for Revenue Refunds, for specific policies and procedures.

### **Invested Treasurer's Cash (ITC)**

A separate revenue budget must be established for each appropriation that earns interest as authorized in Minnesota Statutes. When defining revenue source codes for interest earnings, ITC should be coded as Interest on Short-term Investments (RSRC 8000) Using receipt code 8000 will still allow interest earnings to be included in the Departmental Earnings Report for cost recovery calculation of fee-supported activities.

### **Accounts Receivables System (ARS):**

Agencies using ARS should create separate revenue budgets for each distinct kind of accounts receivable. Separate budgets allow agencies to easily prepare quarterly accounts receivable reports required by DOF. The organization and revenue source codes of a revenue budget are especially important for agencies using ARS. Reports containing information required by DOF are summarized at the agency/revenue source code level. Agencies need to code distinct kinds of accounts receivable to distinct revenue source codes to create meaningful reports. In addition, many standard monthly accounts receivable reports are sorted or summarized by organization, therefore, budgeting accounts receivable revenues at low-level organizations will facilitate separate monthly reporting for each receivable manager. If an agency has several receivables of small dollar amounts, staff may choose to set one revenue budget combining all of the receivables at a high level organization.

### **Forms**

[Fi-00536-01](#) Revenue Budget Entry Form (RB)

### **General Procedures**

<b>Step #</b>	<b>Actions to be Performed</b>	<b>Responsible Party</b>
1.	Analyze and estimate expected revenues for a given fiscal year.	Agency
2.	Create a Revenue Budget (RB) document by fund/agency. Each document line represents a separate revenue budget, i.e., a source of revenue expected to be earned or received.  Enter the required fields:  <i>Budget FY, Fund, Agency, Organization, Revenue</i>	Agency

	<p><i>Source Code, Budget Amount.</i></p> <p><b>Dedicated Receipts Revenue</b></p> <p>Enter the <i>Appropriation Unit</i> and the three required programmatic codes: <i>Program</i> (PROG), <i>budget activity</i> (BACT) and <i>management activity</i> (MACT).</p> <p><b>Non-Dedicated Receipts Revenue</b></p> <p>Leave the <b>Appropriation Unit</b> blank and enter the three required programmatic codes: <i>Program</i> (PROG), <i>budget activity</i> (BACT) and <i>management activity</i> (MACT). In some cases non-dedicated receipts are difficult to associate with a specific program, therefore, enter <b>zeros</b> in the programmatic code fields.</p> <p>Leave the <i>Description Field</i> blank to allow for the system default values. The default value is the name of the revenue source code for which the revenue budget is established. This field is not to be used for agency purposes.</p> <p><i>Activity code</i> is optional. The decision to budget or report by Activity depends on the specific reporting and tracking requirements of the agency. Agencies can also use the activity code for reporting purposes only. See Policy 0205-01, Activity Codes, for further information.</p> <p>The <i>Organization</i> code must be a revenue budget organization as identified on the Organization (ORG2) table. For dedicated Revenue Budgets, the Revenue Budget organization must be equal to or at a lower level than the Appropriation Organization.</p> <p>Although revenue budgets record expected revenue i.e., from Receivable [RE] and Cash Receipt [CR] documents, only the actual cash receipts increase spending authority and can be expended.</p>	
3.	Follow agency procedures to enter and approve the document.	Agency

4.	If the document is rejected, review the document requirements, make corrections, and resubmit for approval.	Agency
5.	Monitor budgets throughout the fiscal year, making appropriate changes and requesting assistance from agency Executive Budget Officer, when necessary.	Agency

### See Also

[MAPS Operating Policy and Procedure 0203-01 - Organization Structure in MAPS](#)  
[MAPS Operating Policy and Procedure 0204-01 - Program Structure](#)  
[MAPS Operating Policy and Procedure 0205-01 - Activity Codes](#)  
[MAPS Operating Policy and Procedure 0208-01 - Revenue Source Codes](#)  
[MAPS Operating Policy and Procedure 0309-01 - Budgeting for Revenue Refunds](#)  
[MAPS Budgeting and Planning Training Manual](#)